DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

Delivers highest ever 9M performance despite COVID challenges

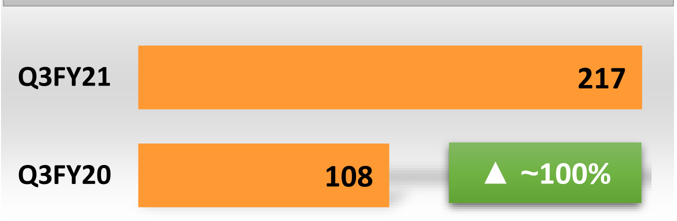
Growth Momentum Continued, 9M FY21 PAT up +337% YoY

Robust performance across segments - turnaround in Fertilisers, consistent performance in Mining Chemicals and improved market dynamics in Industrial Chemicals

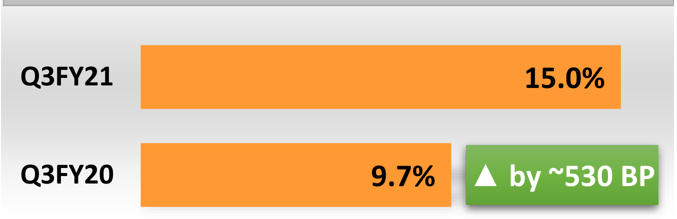
Pune, India, Feb 03, 2021: Deepak Fertilisers And Petrochemicals Corporation Limited, one of India's leading producers of Industrial Chemicals and Fertilisers (referred to as "DFPCL" or the "Company"), announces its results for the Quarter & Nine month ended December 31, 2020.

Consolidated Financial Highlights

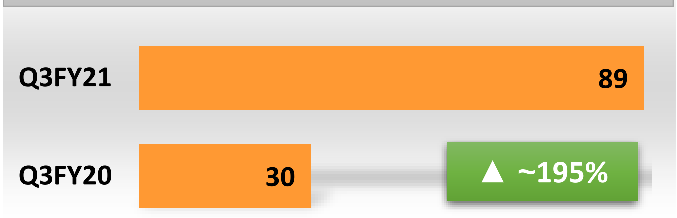
Operating EBIDTA (Rs. Cr)



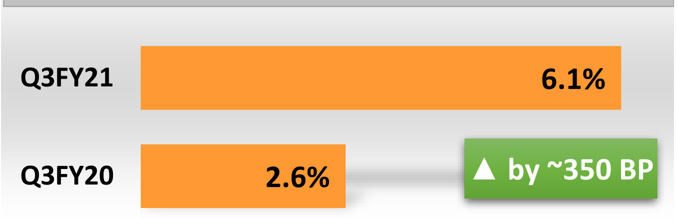
Operating EBIDTA Margin (%)



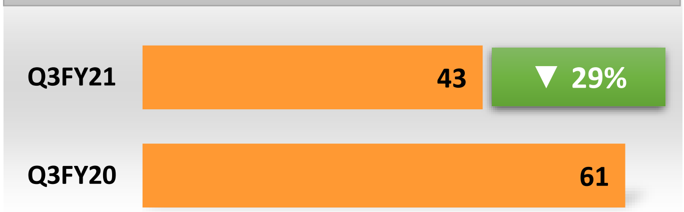
Profit After Tax (Rs. Cr)



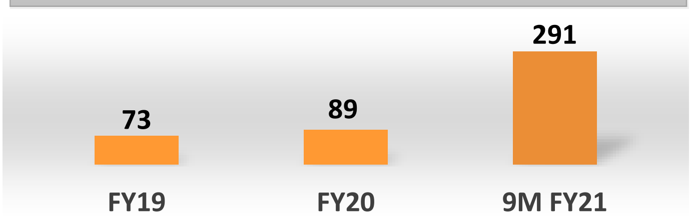
PAT Margin (%)



Finance Cost Optimised (Rs. Cr)



Robust PAT Growth Trajectory (Rs. Cr)



Consolidated Financial Highlights

- Total Operating Revenues increased by ~29% y-o-y to Rs. 1,447 Cr in Q3 FY21 and increased ~25% y-o-y to Rs. 4,233 Cr in 9M FY21.
- Total Operating EBITDA increased by ~100% y-o-y to Rs. 217 Cr in Q3 FY21 and increased ~98% y-o-y to Rs. 682 Cr in 9M FY21. EBITDA margin expanded by 529 bps to 15% in Q3 FY21 and expanded by 595 bps to 16.1% in 9M FY21.
- PAT grew by ~193% y-o-y to Rs. 89 Cr in Q3 FY21 and increased ~337% y-o-y to Rs. 291 Cr in 9M FY21. PAT margin expanded by ~350 bps to 6.1% in Q3 FY21 and expanded by ~491 bps to 6.8% in 9M FY21.
- Finance cost reduced significantly by ~29% y-o-y in Q3 FY21 and ~24% y-o-y in 9M FY21. Reduction in finance cost was primarily driven by significant efforts towards improving collections and better working capital management, thereby reducing the short-term borrowings.

Consolidated Operational Highlights

- CNB business delivered its fifth consecutive profitable quarter in a row. CNB segment profit improved from Rs. 4.4 Cr in Q3 FY20 to Rs. 55.4 Cr in Q3 FY21. Margins improved from 0.9% in Q3 FY20 to 8.6% in Q3 FY21
- During 9M FY2021, differentiated NPK (Smartek) sales volumes grew by 124% y-o-y with its improved value proposition and strong market acceptance.
- Greenfield Nitric Acid plant at Dahej delivered an outstanding quarter with >100% capacity utilization in CNA and ~95% in DNA.
- With consistently improving business performance from Industrial Chemical and Fertiliser segments, the Company is now having relatively much balanced product portfolio mix.

Macro-Economic Growth Drivers

- The Government's recently announced policies on 'Commercial Mining' are expected to generate significant growth in mining activities.
- Drive for Atmanirbhar is encouraging demand for downstream chemicals of Nitric Acids and domestic Coal Mining sector.
- With focused large agricultural support, recent reforms for doubling farmer income and other related initiatives are expected to provide boost to innovative fertiliser initiatives in the country. This is expected to further enhance corp productivity and yield, farmer income and also reduce water consumption requirements.

Commenting on the performance, Mr. Sailesh C. Mehta, Chairman & Managing Director, Deepak Fertilisers And Petrochemicals Corporation Limited, said:

"It gives me great pleasure to share with you that DFPCL has registered a remarkable growth in EBITDA of 100% y-o-y and PAT of over 190% y-o-y for the quarter. DFPCL demonstrated robust growth across all three key business segments. Tremendous focus on improving operational efficiencies, stringent cost optimisation initiatives whilst integrating technologies and innovations into daily operations during this unprecedented COVID phase have led to this stellar business performance.

The overall performance of the IC business in Q3 FY21 significantly improved year on year; primarily driven by the robust demand for Nitric Acid. A similar trend is seen even in the exports markets which favoured us in improving our business margins and overall growth for the quarter. Our Dahej plant achieved 100% utilization capacity.

Fertiliser business delivered its fifth consecutive profitable quarter in Q3 FY21. We sold around 3.2 lakh MT of Smartek product during the year till December end which is over 120% growth over same period last year.

TAN business also witnessed growth in Q3 as end use industries like Infrastructure, Mining, Cement and Coal are showing signs of improvement. Introduction of cost effective and high performance ANFO explosives as a substitute for conventional emulsion explosives will further boost the TAN volumes going forward.

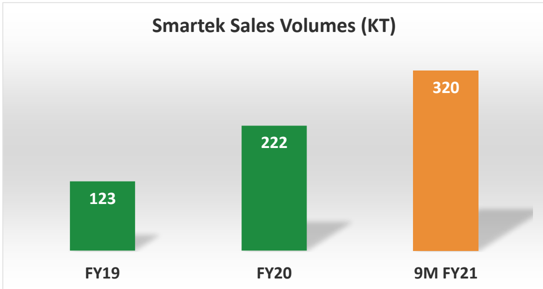
Though, retrieving rains has caused damages to kharif crops and delayed Rabi sowing, we are optimistic for a good rabi season. Gradual shift in the manufacturing activity of chemical intermediates from China to India is a big positive for Indian manufacturers. We expect this *momentum in nitric acid business to continue in the near term and contribute to our consolidated operating margins.*

Furthermore, recently announced Budget by GOI has laid additional emphasis in boosting national Infrastructure, which is backbone of any developing nation. We anticipate our TAN business to significantly benefit from the infrastructure spending. Since most of our businesses cater to the critical sectors of the economy, we are confident of continuing our growth momentum on the back of robust GDP growth for India in the coming years."

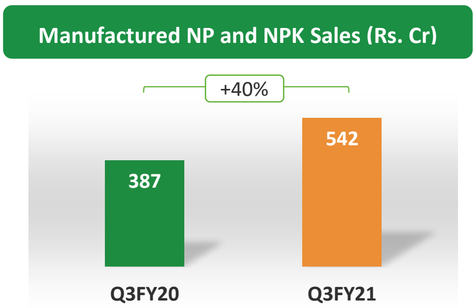
Consolidated Segment Performance Q3 FY21 vs Q3 FY20

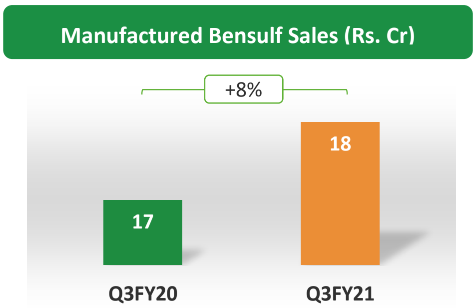
1. Fertilisers Segment

- Manufactured business reported revenue of Rs. 562 Crores in Q3FY21 as compared to Rs. 404 Crores in Q3FY20 (an increase of 39% y-o-y). Trading business increased by about 28% y-o-y to Rs. 85 Crores in Q3FY21.
- Another quarter of strong performance backed by improved volumes, good demand and enormous marketing efforts. With substantial reduction in COVID cases, normal shift operations restored across manufacturing sites.



- NP sales volumes in Q3 increased by 13.6% y-o-y and NPK by 51.9% y-o-y. Higher sales volumes were supported by good rains in the core command area and demand for recently launch Superfast Bensulf.
- In line with the Company's strategic decision to move from commodity to differentiated fertiliser segment, DFPCL sold about 3,20,160 MT of Smartek during 9M FY21, a growth of 124% y-o-y.
- Overall margins improved significantly due to higher proportion of Smartek in the product mix with higher realisations.
- New N14 smart grade technology established and stabilised.
- Adverse y-o-y movement of RM Prices of Ammonia and Phos Acid.



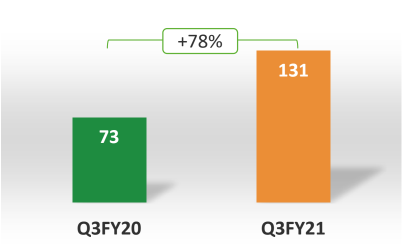


2. Chemicals Segment

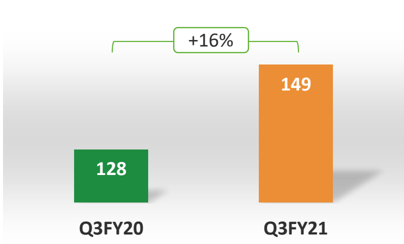
- Manufactured chemical business reported revenue of Rs. 685 Crores in Q3FY21 as compared to Rs. 544 Crores in Q3FY20 (an increase of 26% y-o-y). Chemical Trading business increased by about 11% y-o-y to Rs. 110 Crores in Q3FY21.

- Manufactured IPA revenues increased by 78% y-o-y to Rs. 131 Crores in Q3FY21. IPA demand remained robust in Q3; Manufactured sales volumes increased by ~20% y-o-y. Softening in IPA prices are being witnessed.
- Manufactured Acid Sales revenue increased by ~16% y-o-y in Q3FY21. Robust performance in Acids business mainly driven by improved prices and overall demand. Greenfield Nitric Acid plant at Dahej delivered an outstanding quarter with >100% capacity utilization in CNA and ~95% in DNA.
- The shift in manufacturing activity of chemical intermediates from China to India is becoming more evident with passage of time. Similar price movement is seen in exports markets as well. Merchant sales in international market also reduced substantially from Korean and Taiwanese producers resulting in NA shortages.
- Manufactured TAN Sales increased by 14% y-o-y in Q3FY21. Strong demand of TAN products witnessed Q-o-Q and Y-o-Y; Pricing improved significantly aided by the demand-supply issue in the market particularly for HDAN and AN Melt.
- TAN business continues to deliver strong and consistent margins quarter over quarter.
- Although, demand for LDAN increased compared to Q2 and Q1 FY21, weak performance of Infrastructure, Cement and Steel related sectors has resulted in lower-than-expected volumes as many of the cement plants are still at below pre-COVID levels of capacity utilization.
- As part of Forward Integration strategy, commercial production of HANFO Cartridges (LDAN Based) started.

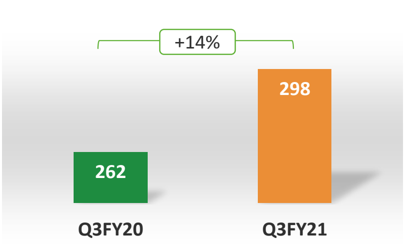
Manufactured IPA Sales (Rs. Cr)



Manufactured Acids Sales (Rs. Cr)



Manufactured TAN Sales (Rs. Cr)



DFPCL at a Glance:

Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL), has established a prime position for itself over the last four decades, across Indian markets. Set up in 1979 as an Ammonia manufacturer, DFPCL today, is a publicly listed, multi-product Indian conglomerate, with a portfolio spanning Industrial Chemicals, Bulk and Specialty Fertilisers, Technical Ammonium Nitrate, and Value Added Real Estate.

Deepak Fertilisers and Petrochemicals Corporation Ltd.

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Safe Harbour: